

Welfare Reform: Helping Families Help Themselves

“It is welfare dependency, not poverty, that has the most negative effect on children.” Backgrounder No. 1084, *How Welfare Harms Kids*, The Heritage Foundation

“For too long, compassion in this country has been measured by how many people are on welfare, how many people receive food stamps, how many people we can get into public housing. The day has come for us to measure compassion by how many people are moved off the welfare rolls and on to payrolls.”

Congressman J.C. Watts (R-Oklahoma), *Rising Tide*, May/June 1996.

The Debate: Charity v. Entitlement

The philosophical debate over aiding society’s needy individuals is as old as poverty itself. According to Dr. Marvin Olasky in *The Tragedy of American Compassion*, colonial philanthropists cautiously granted aid to deserving families, providing in-kind contributions, such as food, coal, and cloth, rather than money, to those in need. Charities only helped individuals who “would rather eat their own bread, hardly earned, than that of others with idleness.” Colonial philanthropists were responsible not only for material aid, but spiritual and moral guidance as well. Those who would not work to better themselves were denied assistance.

As the nation grew, poverty problems grew more complex. In the larger cities, government-operated programs provided aid to all, regardless of their circumstances and willingness to improve. Private charitable institutions warned against this indiscriminate giving, fearing government entitlements would lead to a population dependent upon handouts.

We continue to debate the same problems today. People discuss the importance of requiring recipients to be responsible, but most cannot agree on the specifics.

- Is welfare a temporary safety net or a lifestyle to which families are entitled?
- Does welfare help or harm families?
- Should welfare recipients demonstrate a willingness to work before receiving aid?

In a recent Front Porch Forum poll conducted by the Seattle Times, two-thirds of those polled agreed: “People are responsible for their own well-being and they have an obligation to take care of themselves when they are in trouble.” Just one in five said: “Government is responsible for the well-being of all its citizens and it has an obligation to help people when they are in trouble.”

The “War on Poverty”

In 1935, President Franklin Roosevelt introduced the first four major components of the federal welfare system. Each was aimed at a specific problem.

- Social Security and Workmen’s Compensation provided for those who could not or should not have to work.
- Unemployment Insurance helped workers removed from jobs for reasons beyond their control.
- Aid to Dependent Children provided for widows with young children.

In the early 1950s, Aid to Dependent Children (now Aid to Families with Dependent Children, “AFDC”) was significantly expanded to provide for all single parents with children. AFDC rolls rose by 110,000 families—an increase of 17 percent.

Starting in 1964, President Lyndon B. Johnson called for “total victory” in a “national war on poverty.” His 1964 Economic Improvement Act expanded the federal government’s role in welfare even more, creating the Job Corps, the Neighborhood Youth Corps, Volunteers in Service to America (VISTA), community action programs, and the Head Start program.

From 1964 to 1967, the federal government’s role grew larger with the introduction of Food Stamps, Medicare, Medicaid, public housing programs, and additional job training programs.

By 1977, AFDC dollars supported only 650,000 children of widowed mothers. In contrast, the government supported 6.5 million children in households where the father was not present. One quarter of the fathers were absent due to divorce and one-third due to abandonment. Another 40 percent of the children were born out of wedlock.

By 1993, AFDC payments were helping mothers raise 9.7 million children nationwide. Roughly half of the mothers receiving AFDC payments had never been married, meaning 4.32 million of the children on AFDC were born out of wedlock. Another 40 percent of the women receiving AFDC payments were once married and now separated, divorced, abandoned, or widowed.

The “Opportunity Society”

In July 1996, the new Republican Congress passed legislation ending the 61-year federal entitlement to welfare. This legislation gives states broad power to design their own welfare programs, significantly impacting any welfare reform proposals discussed at the state level. President Clinton signed this legislation on August 22, 1996.

Key Provisions of the Federal Welfare Bill

- requires able-bodied adults to work after two years
- places a five-year lifetime limit on federal welfare benefits with hardship exemptions for up to 20 percent of the recipients
- emphasizes state employment and job training efforts by requiring all states to put at least 50 percent of their total single-parent welfare caseloads to work by 2002
- grants greater flexibility to states through block grants and replaces major federal entitlement programs like AFDC and the Job Opportunities and Basic Skills (JOBS) program
- allows states to shift more resources to child care
- gives states the authority to require unmarried teen mothers (under age 18) to stay in school and live with an adult
- provides funding incentives to states who encourage two-parent families
- denies benefits to noncitizens

“The one size fits all approach doesn’t work. We’re letting the state set its own priorities as opposed to having them dictated from bureaucrats 3,000 miles away who don’t know or understand the needs of the Northwest.” United States Senator Slade Gorton

Welfare Reform in Washington State

As one of the few pieces of the Republican Contract with Washington left unresolved, welfare reform was especially important to Republican lawmakers during the 1996 session. By the last day of session, the welfare reform conference committee had established several areas of compromise. However, facing veto threats by Governor Lowry, Democrats refused to compromise on key issues and welfare reform died for the second year in a row.

Despite failure to achieve compromise in the conference committee, both the Republican-controlled House and the Democrat-controlled Senate agreed on the following changes in some form. Although each of these changes passed either the House or the Senate, they were never enacted into law:

- mandatory contracts outlining steps recipients must take to get a job and get off welfare
- requirements that all able-bodied adults on welfare work, attend school or get job training unless they provide care for a disabled family member or a very young child
- stipulations requiring teen mothers to live under adult supervision and work to get a high school diploma
- provisions that use the parents’ income to determine whether a teenager is eligible for welfare

In addition to these ideas, Senate Democrats and House Republicans developed separate time limit provisions for cash benefits. Senate Democrats wanted to limit welfare recipients to five years while the proposal that passed the House limited full benefits to two years and then phased them out over an 18-month period.

Language also was drafted that would end welfare as an entitlement and make it a charitable grant by the state’s taxpayers. Although it amounted to only two sentences, this provision would have clarified that taxpayers fund welfare benefits out of generosity, not by government decree.

As of May 1996, only six states had not passed significant welfare reform proposals: Alabama, Kentucky, Nevada, New Mexico, Rhode Island, and Washington.

Workfare, Not Welfare

Taxpayers and welfare recipients agree: the current welfare system discourages work and self-sufficiency. In a 1995 statewide poll, conducted by Public Opinion Strategies in August, 95 percent of those polled supported requiring mandatory participation in a welfare-to-work program for anyone capable of working, including single mothers with children.

“Poor people are assets to be liberated rather than problems to be subsidized: They are resources, not victims.” Marvin Olasky, *Thinking about Welfare Replacement*, Capital Research Center, 9/95.

Washington's JOBS Program

Under the threat of federal sanctions requiring the state to return \$8 million in funding to the federal government, the state Department of Social and Health Services (DSHS) made participation in the state's JOBS program mandatory in 1995.

In fiscal year 1996, more than 20,000 JOBS clients entered the workforce—roughly twice the number of clients who started working in 1995 (10,854), and close to three times the number who began work in 1994 (7,559).

“The key is that it's mandatory. Getting into a program like (JOBS) is frightening when you're on welfare; you get in a rut and lose all your self-esteem and confidence.” Ruth Daugherty, 36-year-old single mother on welfare since 1991. (As part of the program, Daugherty still receives help with child care and medical bills. She says she hopes to find another part-time job and break away from the state completely.)

“If people really want to work, the jobs are there. But the fact that this was mandatory gave me an extra push to go out and do the interviews they set up for me.” (Marybeth Davis, single mother of three, now working full-time as a receptionist).

JOBS participants were employed in manufacturing and technical positions, as well as clerical, sales, and other service-related jobs. About 13 percent of the clients took professional or managerial jobs. The average wage in fiscal year 1996 was \$7 per hour.

Despite seeming success in guiding welfare recipients into the workforce, DSHS caseloads are not decreasing. According to DSHS statistics, caseloads stood at 99,395 in January 1996. The department estimates caseloads will rise to 99,483 by December—an increase of 88 cases.

Unlike Oregon, where state officials are dedicated to a 50 percent reduction in AFDC caseloads by the year 2000, DSHS's current administration has announced no plan to reduce overall caseload in the future.

Job Training

In Washington State, 13 agencies run 65 job training programs for welfare recipients and other unemployed and displaced workers—some more successful than others. Overall, the state Workforce Training and Education Coordinating Board concluded most programs were of “limited effectiveness.”

On average, Washington's jobs programs spend \$7,562 for each adult who remains employed 13 weeks after being placed.

Based on employment rates, one of the best records among programs for disadvantaged adults belongs to **Washington Works**, a program that trains welfare mothers for work. Roughly 80 percent of the clients are employed after 13 weeks at an average weekly wage of \$364 or roughly \$9 per hour. The key principles of Washington Works are:

- Satisfy the needs of the employers first. Employers must be able to hire out of self-interest, not charity.
- Provide needed job skills. Washington Works learned that teaching computer skills had a more positive effect on hiring than personal effectiveness classes.
- Foster strong relationships between the staff and the students. Washington Works staff members call women who fail to appear for a class and sometimes even visits them at their homes to find out why they were not in attendance.

Encouraging Self-Sufficiency Through Limiting Benefits

In an August 1995 survey of Washington citizens conducted by Public Opinion Strategies, 78 percent of those polled supported a two-year time limit followed by a two-year reduction in benefits. Fifty-six percent supported an absolute time limit of two years with no reduction.

Washington has one of the weakest time limits in the nation. As of January 1996, AFDC recipients can receive full benefits for four years without even trying to find a job. If a recipient is not involved in an employability plan at the end of the fourth or five years, Washington begins reducing AFDC payments by 10 percent for each year the recipient does not comply. This means an able-bodied welfare recipient may take advantage of public assistance in Washington State for 14 years.

Both the state House of Representatives and the Senate proposed a more meaningful lifetime limit on eligibility for welfare benefits to emphasize the temporary nature of government aid. DSHS warned the lifetime limits would force thousands of families off the welfare rolls and further into poverty.

According to the National Conference of State Legislatures (NCSL), 35 other states have adopted time limits on welfare eligibility. Most of these states have either a two-, three- or five-year limit. (May 1996)

Although many states have adopted “time limits” on welfare benefits, the phrase has more flexibility than it implies. Most states continue to provide a safety net to prevent responsible families from being “cut off” from assistance.

The Three Main Types of Time Limits

Work Trigger Limits - Twelve states have work trigger limits. Vermont requires one-parent families to find work after 30 months. Two-parent families have a 15-month limit. Recipients unable to find employment on their own are placed in full-time community service employment (CSE). Time on assistance accrues throughout a recipient’s lifetime and does not start over if the recipient leaves assistance and returns later. Recipients may earn “credits” toward their time limit: For every 12 months a family is off assistance or earning more than \$150 per month from an unsubsidized job, it can receive an additional six-month credit.

Benefit Termination Limits - Seventeen states have adopted this type of limit, which ends all cash aid to a family after a certain amount of time. Thirteen states’ plans have been approved for waivers from the federal government.

Conditional Extension Limits - Four states offer such extensions. Under this type of limit, extensions are available to recipients who have participated in job search and job training activities, but have been unable to find employment.

Private Sector Alternatives to Government Handouts

Private organizations often provide more compassionate and effective services than a government-run system.

“This isn’t about saving money, it’s about saving lives. The major flaw of the modern welfare state is not that it’s extravagant with money, although clearly much is wasted, it’s that it’s stingy with the help that only a person can give: love, time, care, and hope.” Marvin Olasky, author, *The Tragedy of American Compassion*.

The Family Support Network (FSN), started by Bothell, Washington resident Cheryl Honey, believes in helping families the old-fashioned way. Honey's "neighbors helping neighbors" philosophy adds a human touch to solving family problems.

- Dorothy Sanders, who received help from FSN last Christmas, is convinced the network system is the way to go. DSHS caseworkers are not programmed to hear the human side, she said. "If you want to talk to them, you have to take a number and sit in the waiting room for an hour."

Some branches of the YWCA offer programs to help displaced homemakers and other women entering the workforce. Through the YWCA's Displaced Homemaker's program, women who have been out of the workforce for more than ten years participate in a free four-week training session to learn skills necessary to compete in today's job market. The program is designed for women, recently divorced, separated or widowed, who have been out of the workforce, raising families and dependent upon a husband's support.

- YWCA branches also operate the Interview Clothes Closet or Working Women's Wardrobe where business and professional women in the community donate businesswear for low-income women entering the workforce. Upon receiving a referral from a caseworker or career counselor, a woman sets up an initial appointment for a YWCA volunteer to help her select appropriate interview wear. Once a woman is hired, she may return to the "closet" for a few more outfits to help her through the first weeks until her first paycheck.

On the national level, the Center for Effective Compassion works to educate the public on ways to help the needy through a people-focused approach that is personal, challenging and spiritual.

"It's time to stop delegating our responsibility to the failed welfare state. The answers won't come from Washington and they won't come from the state capitals either. We must find them in our hearts, our actions, and our communities." Ariana Huffington, Chair of the Center for Effective Compassion.

To encourage support of privately-run programs, some suggest allowing taxpayers to choose whether their welfare dollar goes to a government-run program or a private charity. Under this model, government continues to make sure people pay their fair share through taxes. However, private charities could compete on an equal level with government welfare programs.

"Not long ago, a tax credit for citizens who would joyfully support a neighborhood charity, but hate the idea of hurling more dollars down the federal (Health & Human Services) drain, was a gleam in the mind's eyes of a few; now such a proposal is gathering steam." Olaskey, *Thinking about Welfare Replacement*, Capital Research Center, 9/95.

Child Care

According to DSHS, mandatory education and training requirements mean an increase in the number of low-income mothers in the workforce and an increased demand for child care. The agency warns some of the new mothers forced to enter the workforce may have been providing informal care to other low-income mothers, meaning the state will face not only an increase in the demand for child care but a decrease in the supply of informal care.

During the 1996 welfare negotiations, lawmakers considered directing the Child Care Coordinating Council to develop a proposal to exempt some welfare recipients from time limits if they provided child care for other working women. Both sides agreed that child care was a valuable piece of the employment puzzle.

The Annie E. Casey Foundation's Kids Count Data Book, a national report issued in early June 1996, stated that the working poor cannot afford adequate child care, which often takes up to one-fifth of their monthly income. Rick Brandon, executive director of Washington Kids Count, agrees with the report, saying Washington needs to improve access to affordable child care that benefits working families.

In the 1996 supplemental budget, \$4.9 million from the general fund and \$4.9 million in federal funds were appropriated to provide child care for an additional 3,050 children from low-income, working families.

Washington Kids Count has organized the Quality Child Care Think Tank comprised of business leaders and child advocates to find ways to make child care available to all working families — and to keep child care workers out of the ranks of the working poor. The group has proposed a three-way partnership between workers, employers, and government to include voluntary contributions from employers, government assistance and tax breaks, and a shift in what parents pay so no parent pays more than 10 percent of his or her income for early childhood education.

- The think tank proposes equalizing child care payments based on the family's ability to pay. According to its findings low-income parents pay 25 to 30 percent of their income for child care while more affluent parents pay as little as 5 percent of their income for child care. Members suggest that one way to accomplish this would be to help businesses set up flexible benefits packages, including "child care savings accounts," which are similar to medical savings accounts. Employees and employers would contribute to a fund that could be drawn down when the need arises.

Two-Parent Families Less Dependent on Welfare

According to a report by the Senate Health and Long Term Care Committee, more than half (55 percent) of single-parent families live in poverty. Only 7 percent of two-parent families live below the poverty line. Based on this statistic, it's no surprise that nearly 85 percent of the DSHS caseload is made up of single-parent families.

An October 1995 poll conducted by the Family Research Council showed that Americans, by a 2-to-1 ratio, said reducing the number of unwed mothers was a more important goal in welfare reform than merely attempting to make single mothers self-sufficient. Eighty-four percent "oppose increasing a welfare mother's monthly welfare check if she has another child out of wedlock."

Family Caps

One of the more controversial elements of the welfare debate is the idea of a "family cap." Family caps still allow families to be eligible for additional food stamps, child care and health care benefits, but seek to encourage responsible family planning by denying additional cash benefits to families who have more children while on welfare.

- Supporters believe by denying the additional cash, parents on welfare will be less likely to conceive children they cannot afford to raise.
- Opponents argue that children will suffer as lawmakers attempt to curb welfare abuse by their parents. Others warn the abortion rate will skyrocket if parents are forced to bear alone the expense of additional children.

So far, 21 states have adopted some form of a family cap. According to the Family Research Council, in New Jersey, where the first family cap in the nation took effect in August 1993, the raw numbers of births and abortion ssince the cap took effect strongly suggest the policy has reduced the number of births to AFDC mothers without affecting the abortion rate.

Reducing Teen Pregnancy

According to Paul Tudor Jones II, founder of the Robin Hood Foundation which provides direct assistance to New York City residents below the poverty line, "Any child born to an adolescent comes in with ten strikes against them."

In Washington, 52 percent of all mothers on assistance had their first child as a teen. A 1995 report by DSHS estimates that in 1992, the state paid \$273 million in support for families started by teens.

Nationwide, one-half of unmarried teen mothers are on welfare within the first year of birth and 75 percent are on welfare within five years.

Most agree that simply granting cash benefits to teen mothers will not solve the problem. A recent national study found that one in five girls who experience a premarital pregnancy will conceive again within the next year. Within the following two years, a full 31 percent will experience a second birth.

Adult Supervision and Role Models

As part of Washington's 1996 welfare proposal, unmarried teen parents would have been required to live with their families or in an approved adult-supervised situation. One study of teen mothers found that those who live with their families during the five years after the birth of their child are more likely to graduate from high school, to be employed, and to not become welfare dependent.

Many suggest teen mothers can also benefit from adult support and mentoring that charitable organizations and schools provide.

"If you are worried about troubled young people... if you really want to do something to help, volunteer at a school and help teach a child to read. By volunteering to help a child in need, you will be doing more to keep that young adult out of trouble than a squadron of police or a corps of social workers will do later." Governor Ed Schafer (R-North Dakota), 1996 State of the State Address.

Using friendship as the starting point, Directions for Youth in Ohio pairs adult mentors with teen mothers to help guide them toward positive life decisions. The pair spends a few hours a week together doing a variety of activities either with or without the teen's child. As part of the program, the mentor and the teen outline goals the teen should pursue, such as continuing with her studies and planning for the future.

Predatory Fathers

Growing evidence suggests what most know intuitively: Teen mothers are often victims of predatory older men who leave them to raise their children alone.

Approximately one out of every four babies born to teen mothers in Washington over the past 15 years was fathered by a man more than six years older than the mother. In another third of the cases, the father was three to five years older.

To cut down on the number of these teen pregnancies, some say we can simply begin aggressively enforcing our existing statutory rape laws.

Others call for stronger laws boosting the jail sentence for statutory rapists and requiring them to pay child support as part of their restitution agreement.

Another proposal raises the age of consent from 16 to 18 years old.

To encourage collection of child support and provide a means to prosecute older men who prey on teenage girls, some suggest requiring all unmarried teens to name the father at the time of birth. Presently, women and teenage girls on welfare are required to name the father to establish paternity and begin child support collection (although not all do). Those not on welfare are not required to do so. Only half of all teen mothers name the father of their child.

Child Support Enforcement

According to DSHS, nonpayment of child support cost the state roughly \$1 billion in 1995. DSHS handled 170,972 child support cases for AFDC households last year, but collected only \$120,369,281. Child support collected in AFDC cases is used to offset public assistance expenditures.

Locating Absent Parents

For the custodial parent, payments from the noncustodial parent are sometimes inconsistent or non-existent. In order to enforce an obligation, the state must first be able to locate the responsible parent.

DSHS has designed a special computer system for tracking child support payments and keeping records of custodial and noncustodial parents. Since implementation of the Support Enforcement Management System (SEMS) began in 1988, collections per employee have increased from \$162,000 to \$371,000 a year and the ratio of clerical staff to support officers has improved from 1-to-1 to one clerical worker for every three support enforcement workers.

DSHS also works with employers in the state to withhold earnings as a means of collecting support. Employers also participate in the New Hire Registry Program to help DSHS determine the location of a noncustodial parent and to aid the department in collection of support.

California recently strengthened its laws to give child support collectors more avenues for locating parents and collecting support.

Bank Account Discovery - Financial institutions are required, upon written request by the state, to disclose the name, address, and the account balances of noncustodial parents.

DMV Discovery - The Department of Motor Vehicles now requires all applicants for drivers licenses, identification, and vehicle registrations to submit their social security numbers as part of the application process. This information is used to locate delinquent noncustodial parents.

Workers' Compensation - Temporary workers' compensation disability benefits are now used to satisfy child support obligations. Up to 25 percent of a noncustodial parent's benefits can be used to satisfy a support judgment, either directly or through a wage assignment. In addition, up to 25 percent of unemployment insurance benefits and state disability payments can be targeted for child support.

Enforcing Obligations

To address the problem of enforcement, some legislators advocate suspension of professional or drivers licenses when noncustodial parents fail to remain current on their support obligation. In total, 38 states, the District of Columbia, and Puerto Rico have adopted some form of license revocation.

FAST FACTS & TALKING POINTS

In 1992, California enacted legislation preventing noncustodial parents who owe back child support from obtaining or renewing state professional and commercial licenses. The licenses affected include those of truck drivers, attorneys and doctors. California has since collected more than \$10 million in child support.

“To ensure that our children can live in dignity and aren’t dependent on welfare checks, we enacted child support legislation that targeted deadbeat parents. Our message was simple: If you are not supporting your children, we will revoke every license you have in Connecticut. Within a few weeks...between 3,000 and 4,000 delinquent parents called into our office accepting responsibility to care for their children.” Governor John Rowland (R-Connecticut), 1996 State of the State Address.

Because they must comply with strict enforcement of child support payments, noncustodial parents call for equally tough enforcement of visitation rights. Many times, noncustodial parents are denied visitation, against a court order, but continue to pay support.

Noncustodial parents complain about the regressive nature of child support. Low-income parents often pay a higher proportion of their income than more affluent parents.

Another common complaint stems from the calculation of new spouses’ income into the support order. California recently passed legislation excluding a new spouses’ income from the calculation of the support order. Prior to this legislation, a new spouses’ income — like it is in Washington — was considered discretionary income available to the noncustodial parent for support payments.

NOTES
